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SUBJECT: MEDIA REACTION Q FTA - TOKYO

LEAD STORIES: Most Tuesday morning papers front-paged the free trade agreement reached Monday between the US and South Korea.

1. "US-ROK FTA: Japan's Turn Now" The liberal Asahi editorialized (4/3): "South Korea and the US have concluded a free trade agreement (FTA). Although the sensitive issue of opening the South Korean rice market was shelved, the conclusion of these drawn-out and difficult negotiations will jolt Japan's conspicuously inward-looking trade strategy. After the North American Free Trade Agreement (NAFTA) went into effect in 1994, the US concluded FTAs with Singapore and other small countries, so the birth of a US-ROK FTA is the first such major achievement in a long time for Washington. This is also the largest such agreement that South Korea has ever made.... South Korean President Roh made the decision to conclude the FTA in the face of strong opposition from South Korean farmers in the hope that the nation's industries will become more competitive over the long term. With his Trade Promotion Authority (TPA) set to expire on July 1, President Bush's trade policy would have been at a dead end if the US failed to reach an agreement with South Korea.... Some say that the US, after having opened the South Korean market, might now take action to conclude an FTA with Japan. While things are still at the stage of economic leaders in the US and Japan proposing a start to negotiations, it is highly likely that Washington, which attaches importance to its relations with a growing Asia, will strengthen its trade strategy toward Japan."

SCHIEFFER